
SENATE BILL 5999

State of Washington 59th Legislature 2005 Regular Session

By Senators Prentice and Brown

Read first time 02/18/2005. Referred to Committee on Ways & Means.

1 AN ACT Relating to the taxation of contracts to administer parking
2 and business improvement areas; amending RCW 35.87A.110; adding a new
3 section to chapter 82.04 RCW; adding a new section to chapter 35.21
4 RCW; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
7 to read as follows:

8 This chapter does not apply to amounts received by a chamber of
9 commerce or other similar business association for administering the
10 operation of a parking and business improvement area as defined in RCW
11 35.87A.110.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.21 RCW
13 to read as follows:

14 (1) A city shall not impose a gross receipts tax on amounts
15 received by a chamber of commerce or other similar business association
16 for administering the operation of a parking and business improvement
17 area within the meaning of RCW 35.87A.110.

1 (2) For the purposes of this section, the following definitions
2 apply:

3 (a) "Gross receipts tax" means a tax measured by gross proceeds of
4 sales, gross income of the business, or value proceeding or accruing.

5 (b) "City" includes cities, code cities, and towns.

6 **Sec. 3.** RCW 35.87A.110 and 1971 ex.s. c 45 s 11 are each amended
7 to read as follows:

8 (1) The legislative authority of each city or town or county shall
9 have sole discretion as to how the revenue derived from the special
10 assessments is to be used within the scope of the purposes; however,
11 the legislative authority may appoint existing advisory boards or
12 commissions to make recommendations as to its use, or the legislative
13 authority may create a new advisory board or commission for the
14 purpose.

15 (2) The legislative authority may contract with a chamber of
16 commerce or other similar business association operating primarily
17 within the boundaries of the legislative authority to administer the
18 operation of a parking and business improvement area, including any
19 funds derived pursuant thereto: PROVIDED, That such administration
20 must comply with all applicable provisions of law including this
21 chapter, with all county, city, or town resolutions and ordinances, and
22 with all regulations lawfully imposed by the state auditor or other
23 state agencies.

24 (3) Amounts paid by the legislative authority of a city, town, or
25 county to a chamber of commerce or other similar business association
26 operating primarily within the boundaries of the city, town, or county
27 pursuant to a contract to operate a parking and business improvement
28 area are not subject to taxation under chapter 82.04, 82.08, or 82.12
29 RCW, or city gross receipts taxes, as defined in RCW 35.21.855.

30 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act apply
31 retroactively to December 31, 1999.

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